EVERYTHING YOU NEED TO KNOW ABOUT CODING

Steve Hamel, OPI
MASBO New Clerk's Workshop
June 2013



Coding Agenda

- Overview
- 2. Expenditures
- 3. Revenue
- 4. Special situations
- 5. Paying Bills



Why?

- 1. Consistency code consistently for budgeting purposes. This also applies to revenue codes
- Data for legislature & federal government
- 3. Federal Program eligibility



Why?

Coding affects

- Special Ed Reversion
- Maintenance of Effort
- Legal Compliance with state and federal requirements.

Example = One-Time-Only payments.



School Accounting Manual

Use Online Version

http://www.opi.mt.gov/pdf/schoolfinance/SAM.pdf

Discard old paper copies!

Quick review





Reports & Data

Current Events

Prog

mt.gov

Home

Revised Chapter 55

Standards of Accreditation

Posted

SUPERINTENDENTS OFFICE

- ▶ UPCOMING EVENTS
- LIVE VIDEO
- MONTANA COMMON CORE STANDARDS
- TECH READINESS TOOL
- GRADUATION MATTERS

New Student Advisory Board Holds First Meeting

ensure



Curriculum & Assessment

On October 11

and 12, I met with the 2012–2013 Student Advisory Board in Billings at the Yellowstone Art Museum to hear students' advice on how best to overcome the obstacles they face in their efforts to graduate from high school with the skills they need to be prepared for college and careers. The 32 students from 27 schools were nominated by local school and community members and selected to reflect the diverse voices and experiences of Montana students.

Fina

Resources

MAE

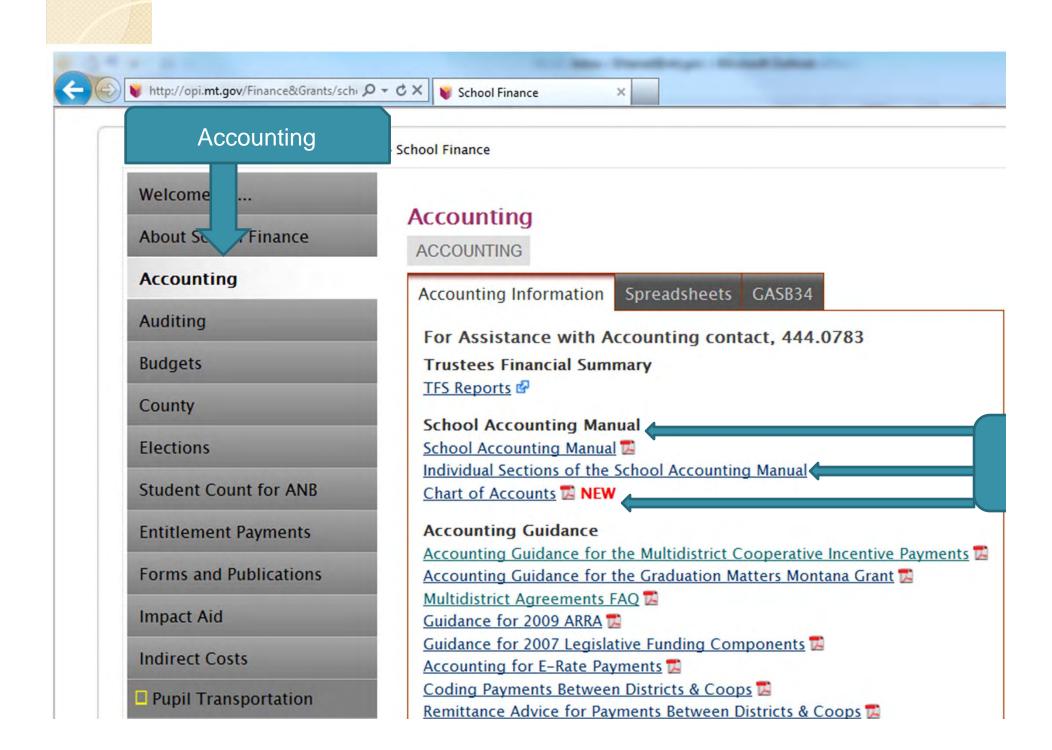
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Account Structures

Expenditure:

Revenue: XXX-XX-XXXX-XXX
 (commonly XXX-XXXX)
 (Fund 15 XXX-XXXX-XXXX)



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Account Structures

• Expenditure:

XXX-XXX-XXXX-XXXX-XXXX
(commonly XXX-XXX-XXXX-XXX)
(Fund 15 XXX-XXX-XXX-XXX)

Revenue:

XXX-XX-XXXX-XXX

(commonly XXX-XXXX)

(Fund 15 XXX-XXXX-XXX)



Expenditure Accounts

XXX-XX-XXX-XXX-XXX

XXX District/Fund

XX Operational Unit

XXX Program

XXXX Function

XXX Object Code

XXX Project Reporter Code



District/Fund

XXX-XX-XXX-XXXX-XXX

- First Digit:
 - 1XX Elementary District
 - 2XX High School District (Includes K-12)
 - 3XX Special Education Cooperative
- Last Two Digits Identify Fund



Budgeted Funds

Characteristics:

- Possibly financed in part by local property tax levy
- Expenditures limited by budget--not cash balance

Budgeted Funds:

- General (01)
- Transportation (10)
- Bus Depreciation (11)
- Tuition (13)
- Retirement (14)
- Adult Ed (17)
- Non-Operating (19)
- Technology (28)
- Flexibility (29)
- Debt Service (50)
- Building Reserve (61)



Non-Budgeted Funds

Characteristics:

- Financed entirely by non-levy revenues
- Expenditures limited by cash balance

- Non-Budgeted Fund examples:
 - School Foods (12)
 - Misc. Programs (15)
 - Comp. Absences(21)
 - Impact Aid (26)
 - Building (50)
 - Student Activities (84)



Determining Proper Fund

- Law look it up!
- Chart of Accounts Matrices
- Trustee Discretion
 - Consistency with fund purpose
 - Budgeting considerations
- Allocating Between Elem and High School Districts, ARM 10.10.303
 - Consistency
 - Basis for allocation



Operational Unit

$$XXX-\underline{XX}-XXX-XXXX-XXX$$

- Optional
- Track Costs By:
 - Building
 - Budget Area
- No Code Restrictions



Program Code

XXX-XX-XXX-XXX-XXX

1XX Regular Programs

2XX Special Programs

3XX State Grants

4XX Federal Grants

5XX Non-Public School Programs

6XX Adult Education Programs

7XX Extracurricular Programs

8XX Community Services Programs

9XX Enterprise Programs

999 Undistributed



Function Code

XXX-XX-XXX-XXX-XXX

1XXX Instruction

2XXX Support Services

3XXX Non-Educational

4XXX Facilities Acquisitions

5XXX Debt Service

6XXX Other Financing Uses

9999 Undistributed



Object Code

XXX-XX-XXX-XXXX-XXXX-XXX

- 1XX Personal Services Salaries
- 2XX Personal Services Employee Benefits
- 3XX Purchased Professional and Technical Services
- 4XX Purchased Property Services
- **5XX** Other Purchased Services
- **6XX** Supplies and Materials
- 7XX Property and Equipment Acquisition
- **8XX** Other Expenditures
- 9XX Other Uses of Funds



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Account Structures

Expenditure:

Revenue:

XXX-XX-XXXX-XXX (commonly XXX-XXXX) (Fund 15 XXX-XXXX-<u>XXX</u>)



Revenue Accounts

XXX-XXXX-XXX

XXX District/Fund

XXXX Revenue Source

XXX Project Reporter Code



Revenue Source

XXX-XXX-XXX

- 1XXX Local Sources
- 2XXX County Sources
- 3XXX State Sources
- 4XXX Federal Sources
- 5XXX Other Financing Sources
- 6XXX Beginning Fund Balance Adjustments



Project Reporter Code

- Required in Fund 15
- Optional elsewhere
- Codes
 - ✓ Assigned at district discretion
 - √ 910 999 reserved by OPI



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Fixed Assets: XXX-XXX-XXXX-7XX

- "Capitalization policy"
 - Determined by board of trustees
 - \$5,000 federal threshold (recommended)
 - Useful life of more than one year
 - Examples: school buses, buildings, etc.



- Fixed Assets: XXX-XXX-XXXX-7XX
 - Must track for Trustees Financial Summary Schedule of Changes in Fixed Assets
 - Acquisition cost per category
 - Additions and removals
 - Depreciation
 - accumulated
 - Current year by function (XXX-XXX-XXXX-



SCHOOL DISTRICT SCHEDULE OF CHANGES IN FIXED ASSETS. DEPRECIATION AND NET FIXED ASSETS FOR THE FISCAL YEAR ENDED JUNE 30, 2XXX Beginning Balance Additions Ending Balance Removals GOVERNMENTAL ACTIVITIES: * Land Land Improvements Buildings Machinery & equipment Construction in progress Totals at historical cost Less accumulated depreciation for: Land improvements Buildings Machinery & equipment Total accumulated depreciation Governmental activities, capital assets, net BUSINESS-TYPE ACTIVITIES: ** Land Land Improvements Buildings Machinery & equipment Construction in progress Totals at historical cost Less accumulated depreciation for: Land improvements Buildings Machinery & equipment Total accumulated depreciation Business-type activities, capital assets, net Depreciation by Function for FY20XX Governmental Activities **Business-type Activities** Instruction (1XXX) Support Services (22XX) General administration (23XX) School administration (24XX) Financial administration (25XX) Operations and maintenance (26XX)

Transportation (27XX) Food Service (31XX)

Unallocated

Extracurricular (34XX, 35XX)

Total depreciation for FY20XX

^{*} Governmental activities are usually reported in the general, special revenue, debt service, capital projects, permanent, and internal service funds. These funds are generally financed through taxes, intergovernmental revenues and other non-exchange revenues.

^{**} Business-type activities are usually reported in the enterprise funds. These funds are financed in whole or in part by fees charged to external parties for goods and services.

Incoming Refunds

Current year:

- Credit expenditure, NOT revenue
- Restores spending authority (budget)

Prior year:

- Material: 6100 Prior Period Adjustment
- Immaterial: 1900 Other Revenue (BAD)
- Don't know if it is material?
 - Ask your auditor
 - 6100 PPA is most conservative



Prior Period Expenditure Adjustments

Expenditure applicable to the prior year:

XXX-999-9999-892 Prior Period Expenditure Adjustments must be within the budget of the fund, per ARM 10.10.305.



- Prior Period Revenue Adjustments XXX-6100 (see SAM 5-0270.20)
- To record the receipt of a material amount of revenue applicable to the prior year
- To record the adjustment for revenue recorded in the prior year which was not applicable to that year



Coding Corrections

- Recoding IS NOT the same as Transfers!
- Recode to correct:
 - Errors
 - Overdrafts
 - Example: General Fund to subsidize School Foods Fund
- Correction between funds? Notify County Treasurer to move cash!



- General Fund 1900 Revenue (X01-1900)
 - Affects ensuing year budget
 - Use sparingly? Nay, Nay, avoid if at all possible.

Special Ed Expenditures – Program 280

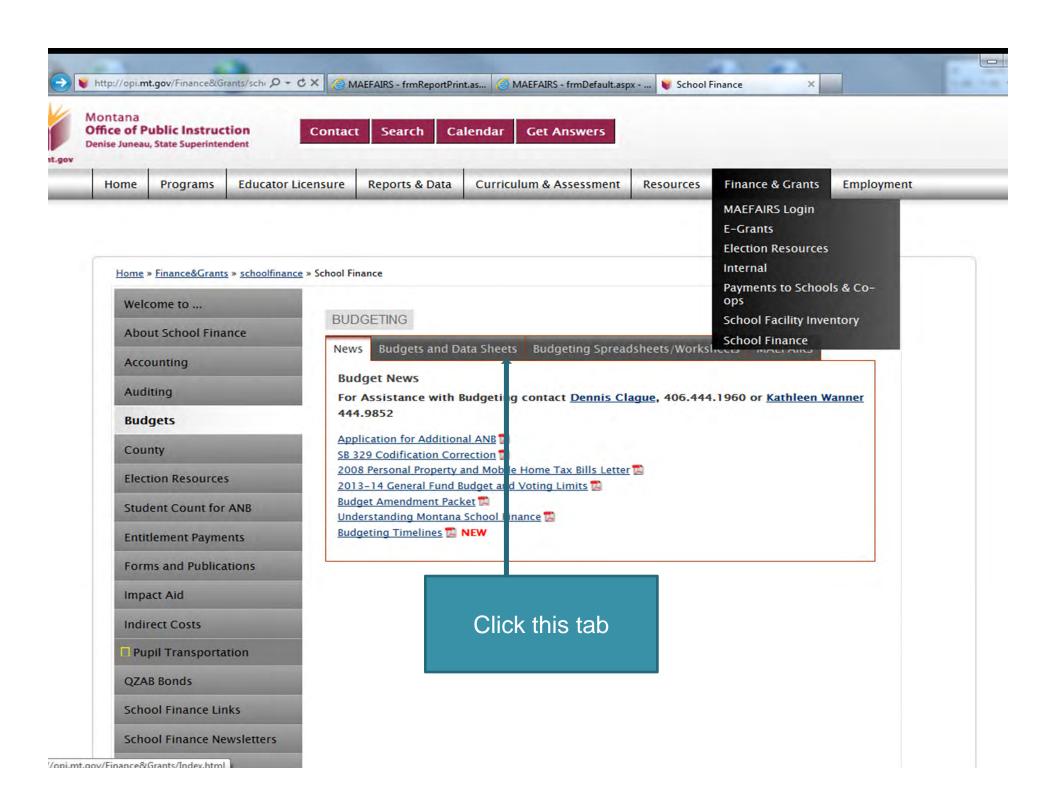
- Great Balancing Act
 - Minimum Expenditures Required (General Fund) – See Preliminary Budget Data Sheet
 - Expenditures must be maintained (IDEA Grant)
 - Dick Trerise 444-4429 See his presentation on Thursday! (he said to remind you about coding properly)

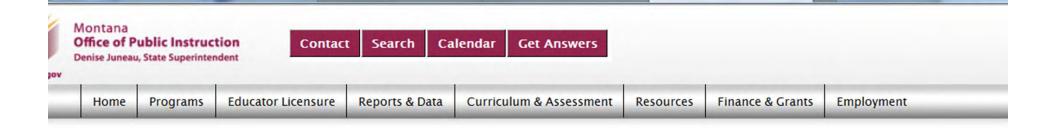


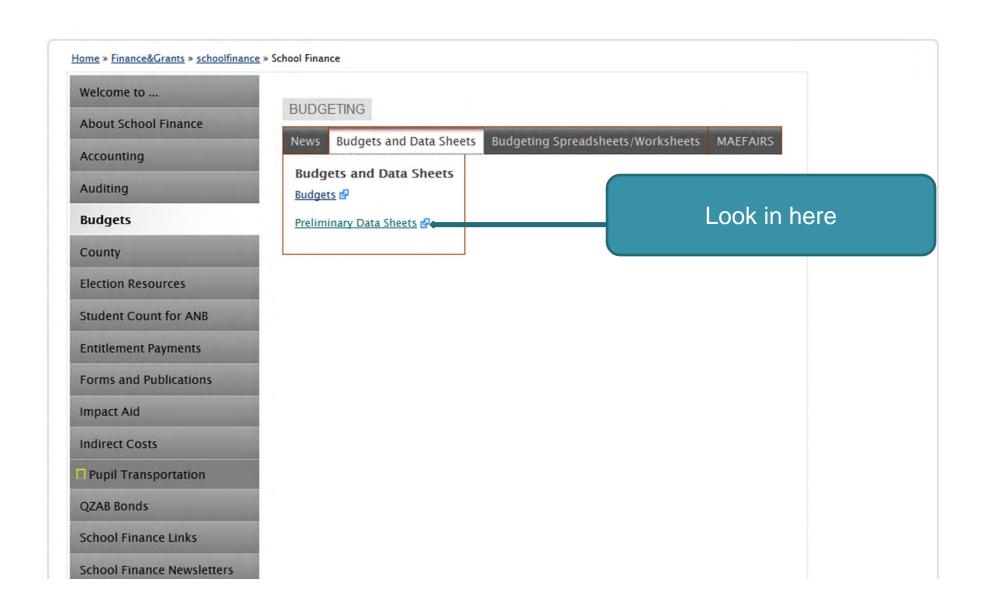
Gee Steve

 How do I find the Preliminary Budget Data sheet?





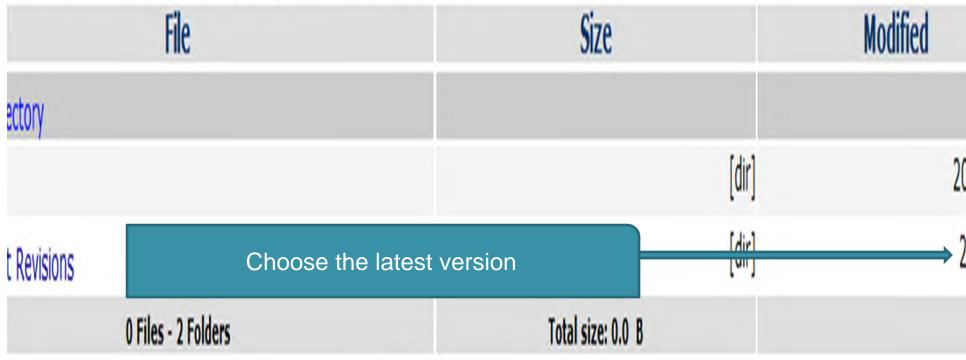




/ School Finance / PreliminaryBudgetDataSheets /

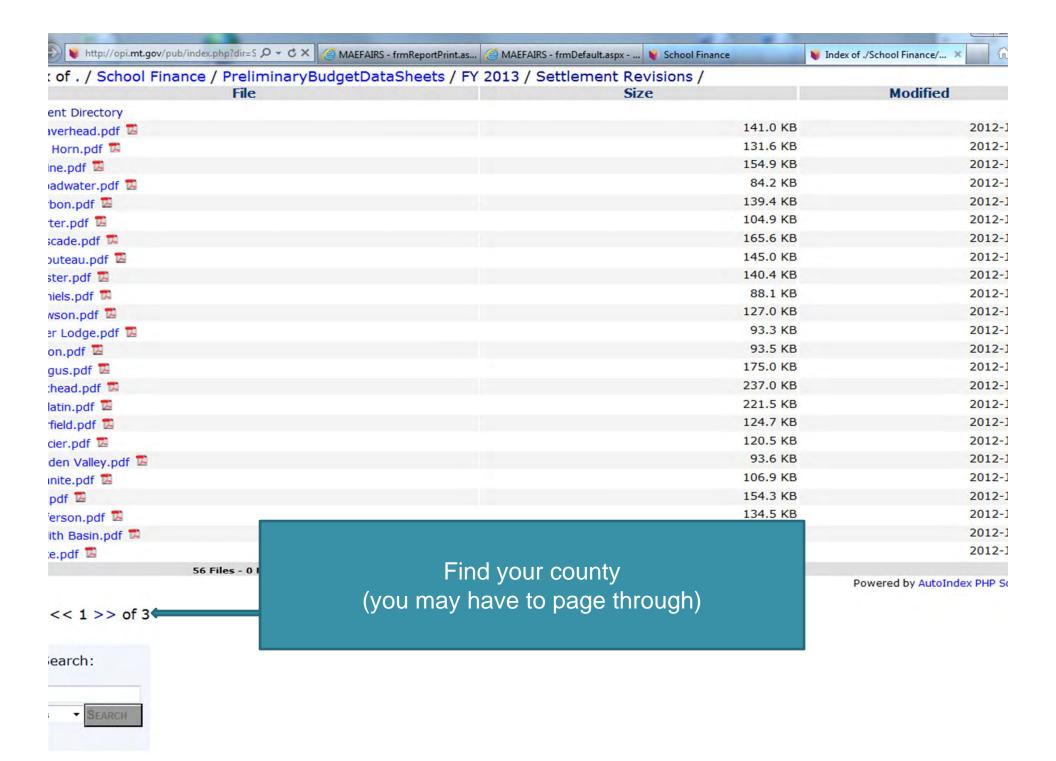
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School Finance / PreliminaryBudgetDataSheets / FY 2013 /



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County: 48 Stillwater

District: 0861 Absarokee Elem

There is the amount you have to spend to avoid a "reversion"

Reimbursement For Disproportionate Costs

		EL	HS	K12
a.	FY2010-2011 allowable cost expenditures Total K-12 expenditures prorated by FY11 ANB	85,710.: 4	0.00	0.00
b.	FY2010-2011 amount to avoid reversion	39,469.25	0.00	0.00
c.	Reimbursement for disproportionate costs If $(a-b) > 0$ and $a > (b * 1.702039380)$ then $[a - (b * 1.702039380)] * 0.4$	7,412.93	0.00	0.00

8. FY2013 BUDGET LIMITS:

*a.	Required % of Special Ed Funding in Maximum [MCA 20-9-306(9)]	100%
*b.	BASE Budget	960,477.73
*c.	Maximum Budget Limit	1,200,207.23
*d.	Highest Budget Without A Vote excluding tuition, excess reserves, and other overBASE revenues	1,279,572.75
*e.	Highest Budget With A Vote	1,279,572.75
*f.	Highest Voted Amount (8e-8d)	0.00

PRIOR YEAR INFORMATION FOR BUDGETING:

*a.	FY 2011-2012 BASE Budget	 960,024.92
*b.	FY 2011-2012 Maximum Budget	 1,198,413.68
*c.	FY 2011-2012 ANB	184

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Paying Bills

- District must receive goods/services prior to paying for them
- Board must approve all warrants prior to release
- Required signatures on warrants:
 - Board chair
 - Clerk



Federal Programs

Revenue and expenditure program codes match!

Examples:

- 1. Title I Part A
 - Revenue Source: 4200
 - Expenditure Program: 420



Paying Bills

- Retain documentation for audit trail (retain for 8 years)
 - Pay from invoices only—not statements
 - Retain packing slips to support invoices
 - Auditor specific information in file
 - Coding
 - Warrant number
 - PO
 - Copy of warrant





"I've been working on ways to wring more work out of you, and I think you'll be excited to hear what I've come up with."

Contact Information

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School Finance Division

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Helena, Montana 59620-2501

(406) 444-0783 or shamel@mt.gov

(406) 444-3249 or jmickelson@mt.gov

OPI website: <u>www.opi.mt.gov</u>

